



SENT TO COUNCIL:

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by Council Liaison's Office

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: SEE BELOW

DATE: February 9, 2004

Approved

Date

2/10/04

COUNCIL DISTRICT: Citywide

SNI AREA: Citywide

INFORMATION

**SUBJECT: AWARD OF CALHOME FUNDS FOR HOUSING REHABILITATION
AND HOME BUYER DOWNPAYMENT ASSISTANCE LOANS**

On February 4, 2004, the California Department of Housing and Community Development (HCD) awarded \$2 million of CalHome Program funds to assist low-income families in buying or fixing up a home in San José. The City will receive a \$1 million grant to assist low-income families rehabilitate their homes. In addition, Neighborhood Housing Services Silicon Valley (NHSSV) was awarded a \$1 million grant for downpayment assistance loans to low-income first-time homebuyers.

The CalHome assistance must be used for deferred repayment loans that are repaid either upon the loan maturity date (normally 30 years) or upon sale of the home. The interest rate may not exceed 3%. The City and NHSSV, not HCD, will set the maximum per household loan amounts. The loans must be made to persons who are buying or rehabilitating a home that is located within a Strong Neighborhoods Initiative or other redevelopment area.

The CalHome Program is funded from the Proposition 46 housing bond issue approved by California voters in November 2002. CalHome funds are awarded only to local governments or nonprofits that have shown sustained success in managing homebuyer/home rehabilitation assistance programs. The City and NHSSV received the maximum amount allowable. The awards are a result of an active ongoing effort to secure outside funds to enhance local affordable housing and neighborhood rehabilitation programs during this time of severe budget constraints.

LESLEYE CORSIGLIA
Director of Housing